

Washington State Economic Development Commission
Regular Meeting – March 14, 2012
SeaTac, WA

COMMISSIONERS

PRESENT:

Sen. Michael Baumgartner
Randy Gardiner
Mark Harris
Sen. Jim Kastama
Rep. Phyllis Gutiérrez Kenney
Dan Newhouse
Rick LeFaivre
Christina Lomasney
Dan Newhouse
Eleni Papadakis
Mike Schwenk
Rep. Norma Smith
Bill Stafford
Beth Thew
Paul Trause
Steven VanAusdle, Ph.D.
Rogers Weed
Roger Woodworth

NOT PRESENT:

Connie Bacon
Jack Breese
Michelle Burris
Paula Hammond
Bruce Kendall
Stan Sorscher

COMMISSION STAFF:

Egils Milbergs
Spencer Cohen
Noreen Hoban

CALL TO ORDER by Chair Roger Woodworth

The meeting was called to order at 9:00AM. Chair Woodworth presented the results of the working group survey from last meeting. Minutes for the December 13, 2011 commission meeting were presented and approved.

DIRECTOR'S REPORT by Egils Milbergs, WEDC Executive Director

Director Milbergs brought an activity report on quarterly accomplishments, mini status of the current WA jobs position and information on the development of a data dashboard with Commerce. Commission requested a more granular presentation of the current employment status in Washington. The Budget status and financial report presented and reviewed.

GOVERNOR'S UPDATE by Heidi Hughes, Sr. Economic Development Policy Advisor:

Ms. Hughes presented a session recap focusing on several examples of legislative successes. Presented was the focus on 1) teacher evaluation, dollars for teacher improvement and addressing personnel issues, 2) Ecology bill passed to make it easier on business, and 3) Pegaus report bills

issues and the Aerospace Research & Development center gives Washington ability to get R&D done here and leverage private funds. The Governor's Strategic Reserve report was also presented for review and discussion by the commission.

2012 LEGISLATIVE RESULTS BY: Representative Phyllis Gutierrez Kenney , Representative Norma Smith, Senator Jim Kastama , and Senator Michael Baumgartner

The Washington Economic Development Commission legislative delegation provided an update to the Commission on some of the challenges faced, met and remaining before Washington legislature in the future. Rep. Kenney announced she would retire after the end of this term. The commission recognized the good work that Representative Kenney had achieved in the House as well as on the commission.

- **Representative Phyllis Gutierrez Kenney** – Presented a recap of legislative session indicating progress made with the balanced budget, jobs improvement legislation, but stating further work must be done to balance the human service needs. Ms. Kenney encouraged the commission to make specific recommendations; gather data; and access return-on-investment of state funds.
- **Representative Norma Smith** - Stated the diversity of the state is strength; we need to continue to increase the effort on education reform, encourage growth in our robust manufacturing sector, clean water and examine tax credits and incentives. Washington needs an economic environment of certainty.
- **Senator Jim Kastama** – Good balance on what's important and he believes the relevance of the commission's work will grow. The 2007-2009 recession was a wake-up call – at this point everyone is now talking about innovation. More focus must be given to budgets for aerospace, STARS, lifelong learning, infrastructure
- **Senator Michael Baumgartner** - The major issue of the 2012 legislative session has been the state's on-going budget challenge. One of the main goals is to reform state government – make it leaner, more efficient, less costly and more service-oriented. In essence, I want to help make Washington's government "smarter."
- **Agency Impact Commentary** – Each agency head provided recaps of the legislative session changes as well as an assessment of how new legislation and the current budget would impact their organization. Each presentation was followed by discussion by the commissioners .Presentations were given by:
 - Paul Trause, WA Employment Security Department
 - Dan Newhouse, WA Dept. of Agriculture
 - Eleni Papadakis. WA Workforce Training and Education Coordinating Board
 - Rogers Weed, WA Dept. of Commerce
 - Elizabeth Robbins for Paula Hammond, WA Dept. of Transportation

WEDC WORK PLAN by Director Milbergs

A next draft of the strategic report was presented to the Commission. Each pillar work group was invited to review the recommendations within their specific area to: 1) define major deliverables / milestones, 2) a preliminary timeline and 3) determine resources which might be required to complete work

An update of the Economic Development program evaluation was presented and discussed. Director Milbergs presented information on the upcoming road tour and media outreach being developed for the strategic plan implementation.

PILLAR WORKING GROUPS REPORTS : Each pillar conducted a work session on the recommendations followed the work group chairs presenting brief summaries of their discussions. The work group chairs agreed to revise their section's recommendations which staff will include in the next draft of the strategic plan.

- 1) **Talent & Workforce** by Commissioner Steve VanAusdle. Indicated that the skills gap between trained and Washington state's job needs are expanding. There is an urgent need to reallocate resources.
- 2) **Investment & Entrepreneurship** by Commissioner Rick LeFavre. Indicated that more focus needed to be made to expand beyond technology base to support all kinds of ecosystems supporting innovation.
- 3) **Infrastructure & Regulatory** by Commissioner Christina Lomasney. All state agencies need a framework to align to this strategy. Infrastructure needs to include broadband, electrification of transportation and water.
- 4) **International Business** by Commissioner Bill Stafford. Exporting and business remain a priority for the state. Global focus, international investment and increasing awareness must remain priorities to encourage economic prosperity for this state.

INITIATIVE PLANNING WORKING GROUP REPORTS

- 1) **Innovation policies & practices** by Christina Lomasney
Focus is required if we are to be successful. 2-3 recommendations should be targeted and specifics identified to move the initiative forward.
- 2) **Accelerating alignment, communication & engagement** by Mike Schwenk
A matrix for policy recommendations should map who, why, how and what message should be utilized for each recommendation. With that information the pillars can identify when, where, by what stakeholders/whom, and how many resources would we need to promote or move the commission's initiatives forward.

- 3) **Prioritizing state programs & investments** by Mark Harris. Significant progress has been made, a preliminary work plan has been agreed upon. The working group will convene again on April 5th to further develop the next steps. A meeting with the legislative delegation will also be held to assess that the Commission's work will accomplish the required directive.

Additional discussion details may be requested by contacting the WA Economic Development Commission staff.

PUBLIC COMMENTS:

Chair Woodworth opened the floor for public comment. Mr. Greg Hastings presented SkyMill to the commission.

NEXT MEETING: International A, SeaTac Conference Center, WA, ***Wednesday, June 13, 2011,***
8:30 AM – 2:30 PM Full Commission Meeting

ADJOURNMENT: The Commission was adjourned at 3:10 PM